

October 1, 2021

VIA ELECTRONIC MAIL (twjohnson@nola.gov)

Ms. Lora W. Johnson, CMC
Clerk of Council
City Hall, Room 1E09
1300 Perdido Street
New Orleans, LA 70112

Re: *In Re: Revised Application of ENO for a Change in Electric and Gas Rate in the City of New Orleans Pursuant to Council Resolutions R-15-194 and R-17-504 and for Related Relief*
CNO Docket UD-18-07
Our File No.: 7717-46

Dear Ms. Johnson:

Enclosed please find attached for electronic filing, Air Products and Chemicals, Inc.'s ("Air Products") Identification of Disputed Issues and Corrections to ENO 2021 Formula Rate Plan in the referenced docket. As a result of the remote operations of the Council's office related to COVID-19, Air Products submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you or the Council otherwise directs. Air Products requests that you file this submission in accordance with Council regulation as modified for the present circumstances.

Should you have any questions regarding the above, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,



Carrie R. Tournillon

CRT/tp
Enclosure

cc: Official Service List UD-18-07 (via electronic mail)

4828-6155-1101 v1

**BEFORE THE
NEW ORLEANS CITY COUNCIL**

**IN RE: REVISED APPLICATION OF ENO
FOR A CHANGE IN ELECTRIC AND GAS
RATE IN THE CITY OF NEW ORLEANS
PURSUANT TO COUNCIL RESOLUTIONS
R-15-194 AND R-17-504 AND FOR RELATED
RELIEF**

**DOCKET NO. UD-18-07
October 1, 2021**

**AIR PRODUCTS AND CHEMICALS, INC.’S
IDENTIFICATION OF DISPUTED ISSUES AND REQUESTED CORRECTIONS
ENO 2021 FORMULA RATE PLAN FILING**

Air Products and Chemicals, Inc. (“Air Products”) respectfully submits this Identification of Disputed Issues and Requested Corrections in the referenced proceeding, relating to Entergy New Orleans, LLC’s (“ENO”) 2021 Formula Rate Plan (“FRP”) filing.

As background, the 2021 FRP filing is ENO’s initial FRP filing and rate adjustment pursuant to its new FRP Rider (“Initial FRP Filing”) following its 2018 rate proceeding in Docket U-18-07. While the new FRP Rider was initially approved by the Council in Resolution No. R-19-457, with the Initial FRP Filing due on April 30, 2020,¹ numerous Council resolutions extended the deadline of the initial filing.² The most significant extension occurred by Resolution R-20-344, in which the deadline for ENO to file its initial FRP was changed from August 13, 2020 to June 30, 2021; such deadline was most recently extended to July 19, 2021, with stakeholders required to identify issues and propose corrections on ENO’s 2021 FRP by October 1, 2021.³ Thus, pursuant to Resolution R-21-295, Air Products Identification of Disputed Issues and Corrections is timely filed.

Importantly, no extension of the Initial FRP Filing changed any material provision of the FRP except the deadlines for (i) initial filing, (ii) identification of disputed issues and (iii)

¹ UD-18-07, Entergy Compliance Filing at Rider Schedule EFRP-5 (December 9, 2019).

² See Council Resolution Nos. R-20-112, R-20-213, R-20-344, R-21-295.

³ See Council Resolution No. R-21-295.

implementation of the increase on customer bills pending resolution of issues in the docket. Nor, did Air Products or other parties waive any rights under the FRP beyond changing of the above-referenced deadlines.

Also, importantly, the impetus of the delayed FRP filing was to protect customers from unnecessary rate increases during the Covid-19 pandemic:

WHEREAS, the Council recognizes that in light of the current crisis, it is in the public interest *to ensure that ratepayers are not subjected to any unnecessary rate increases* while providing the utility with financial security required to continue reliable operations;⁴

Thus, the delayed FRP rate adjustment should be implemented consistent with the intent not only of the FRP Rider, but also the intent of the Council in seeking to avoid subjecting ratepayers to unnecessary rate increases.

Air Products respectfully submits the below Disputed Issues and Corrections, relating to ENO's 2021 FRP filing, as follows.

Disputed Issues and Requested Corrections

1. Disputed Issue 1: FRP Revenue Requirement - - Annual Evaluation and Adjustment

ENO claims that its evaluation period for its Initial FRP Filing is calendar year 2020; however, the filing does not represent an annual change in revenue requirements between evaluation periods ending December 31, 2019 and December 31, 2020. Rather, the revenue requirement adjustment proposed in ENO's Initial FRP Filing represents a change in ENO's revenue requirement over two calendar year periods since ENO's new base rates and FRP were approved by the Council - calendar years 2019 and 2020.⁵ Thus, ENO's proposed increase in revenue requirement represents more than an annual incremental adjustment.

⁴ See Council Resolution R-20-344 at 4 of 103 (October 15, 2020).

⁵ ENO 2021 FRP Summary Pleading at 7-8 (para IV and V) (July 16, 2021).

Air Products takes issue with a single FRP adjustment reflecting changes in revenue requirements beyond a historic 12 months.

Air Products Requested Correction: ENO's requested FRP adjustment should be calculated in two steps, based first on the difference in its revenue requirement and revenue for calendar year 2019 and then on the change in its revenues and revenue requirements between December 31, 2019 and December 31, 2020. This two-step process would be indicative of the change in its revenues as of January 1, 2020, had an extension not been granted and would allow the decoupling mechanism to work as intended.

Air Products is not opposed to ENO being allowed to collect its under-collected revenue requirements for the 2019 calendar year period. However, such under-collected revenue requirements should be identified as an initial matter and separate from ENOs under-collected revenues for the 2020 evaluation period, to avoid the FRP addressing more than an annual period of review and adjustment.

2. Disputed Issue 2: Customer Cap - - Cap on Annual Decoupling Mechanism Changes in FRP Revenue Requirement

The City Council approved a provision in ENO's electric FRP that caps revenue increase adjustments at 10% to Master Metered Non-Residential (2 customers), Large Electric High Voltage (1 customer), and Large Interruptible Service (1 customer) rate schedules.⁶ The Council found that some protection should be provided for these covered classes having only a few customers to mitigate the potential exposure of those rate classes to highly disruptive changes in rates that may occur as a result of the decouple mechanism approved in this case.⁷ Whether or not a 10% cap would apply to the increases applicable to these rate schedules is determined by

⁶ Certified Resolution R-19-457 at 124 (November 7, 2019). (See **Exhibit A** attached hereto.)

⁷ *Id.* See also, ENO FERC Form 1 for 2020 at pages 304 and 304.1 (April 16, 2021).

whether the overall percent increase to all customers taken together is more or less than 10%. If the overall increase is calculated to be 10% or less, then the 10% cap applies for these three rate schedules.

Pursuant to Paragraph 26 of Resolution R-19-457, and as set forth in ENO's FRP Rider filed in compliance with R-19-457, the decoupling mechanism of ENO's FRP is intended to capture a one-year period of time. Likewise, the cap approved by the Council for classes with a few customers, is intended to consider changes in revenue requirements over a one-year period of time.

26. ENO's decoupling proposal shall be modified such that a full decoupling mechanism shall be filed with each electric E-FRP evaluation, with total allocated costs of service for each customer class included in the decoupling revenue adjustment, **and the customer rate class allocation factors be updated annually with current billing determinants.** The decoupling adjustment shall be applied to all customer classes if the E-FRP revenue adjustment is outside the bandwidth. However, ENO shall, for rate classes Master Metered Non-Residential, Large Electric High Voltage and Large Interruptible Service, **implement a decoupling revenue adjustment cap of 10% which will apply to each of the 3 annual E-FRP evaluation period revenue adjustments provided that the total electric utility FRP revenue adjustment for that evaluation does not exceed 10%.** A new baseline of customer class fixed and variable revenue requirements shall be determined in each E-FRP from an allocation of costs and a return component based on the rates of return corresponding to the customer class total revenues set in the instant docket. Any adjustments that may be needed to the relative rates of return will be such that those adjustments move the relative customer class rates of return toward the utility's rate of return based on the weighted average cost of capital. The revenue deficiencies/excesses shall be determined for each customer class by comparing the E-FRP customer class total revenue requirements with the customer class evaluation period total actual revenues, with the decoupling adjustments applied within each customer class using updated billing determinants excluding the customer charge. The decoupling adjustment shall apply to proforma revenue requirements and billing determinants in the E-FRP rate effective period, based upon updated allocation factors and billing determinants in each E-FRP.

However, the Initial FRP Filing by ENO calculates the change pursuant to the decoupling mechanism based on approximately 24 months (two annual evaluation periods).⁸ Further, the cap authorized by the Council to mitigate annual increases in revenue requirements of three covered customer classes (who have only a few customers bearing the cost of the increases) is likewise incorrectly applied to revenue requirement increases of the three covered classes over the same approximately 24-month period.⁹ Such extended length of time for application of the cap was not intended, nor anticipated, in the Council's authorization of the cap or in the parties' extensions of the FRP deadlines. Further, such unintended and anticipated implementation of the cap will result in the cap not being triggered because the ENO's revenue requirement increase for the extended evaluation period exceeds 10%.¹⁰

Thus, as proposed to be implemented by ENO, due to the extension of ENO's Initial FRP Filing approved by the Council "to ensure that ratepayers are not subjected to any unnecessary rate increases," the customers would lose the protection of the cap. However, neither Air Products, nor any other party or the Council, modified the cap provision or waived any rights to how the cap was intended to be implemented when agreeing to extend the deadline of the initial FRP filing.

Specifically, by changing rates to recover differences in ENO's revenue requirement over more than a single calendar year, ENO has proposed to increase the FRP percentage applicable to the single customer on Rate Schedule LIS from about 5.2% to 49.8% and has proposed to increase the FRP percentage applicable to the few customers on the Master Metered Non-Residential Rate Schedule from about 12% to 26%. These large increases in FRP percentages

⁸ ENO 2021 FRP Summary Pleading at 7-8 (para IV and V) (July 16, 2021).

⁹ ENO 2021 FRP Summary Pleading at 7-8 (para IV and V) (July 16, 2021).

¹⁰ ENO 2021 FRP Filing, AJO1A-Attachment A and G Part 1_E_WP, Page 1_Attachment A Calculation (July 16, 2021). (See **Exhibit B** attached hereto.)

are exactly the highly disruptive changes in rates to which the Council, in approving the rate increase cap, sought to protect these covered classes from exposure.¹¹

Yet, ENO did not apply the cap to limit these customers' exposure, referencing that the total electric utility FRP revenue adjustment may not exceed a 10% increase. ENO erred, however, by ignoring that the proposed total electric FRP revenue requirement changes include delayed increases from the 2019 calendar year period, prior to the 12-month calendar year 2020 evaluation period.¹²

Air Products Requested Correction: Air Products submits that ENO should calculate the 2020 revenue requirement as if the 2019 revenue requirement was implemented - - to avoid the Evaluation Period and Decoupling Mechanism covering more than 12-month of a change in revenue requirements. Given ENO's cooperation in delaying the Initial FRP Filing, which was intended to be a benefit to customers and not to negatively affect customer protections built into the FRP Rider such as the customer cap, Air Products suggests that the bifurcation of revenue requirements be solely for purposes of implementing the provisions of the FRP and not to deny ENO of recovery of incremental revenue requirements during calendar year 2019.

From ENO's filing, Air Products understands that the ENO 2020 FRP filing would have resulted in a combined FRP rate increase of \$28 million for electric and gas operations plus \$4 million for the Interim Rate Adjustment Rider ("IRAR"), which would have been implemented on customer bills beginning in September 2020.¹³ Air Products believes approximately \$21 million of the \$28 million relates to its electric revenue requirements, inclusive of about \$17 million in electric FRP revenue requirements and the \$4 million in IRAR revenue

¹¹ *Id.*

¹² ENO 2021 FRP Filing, AJO1A-Attachment A and G Part 1_E_WP, Page 1_Attachment A Calculation (July 16, 2021). (See **Exhibit B** attached hereto.)

¹³ ENO 2021 FRP Summary Pleading at 3 and 7 (July 16, 2021).

requirements.¹⁴ Further, Air Products submits that if the \$17 million electric FRP rate increase that was calculated for the first step (summer of 2020), but that was not implemented, were applied first, that the remaining ENO revenue requirement increase would be less than 10% overall, and therefore, the 10% cap on increases to the three covered rate schedules would apply. Thus, Air Products requests that the 2020 revenue requirement increase be implemented as a first step, prior to applying the 10% customer cap to the 2021 increase.

3. Disputed Issue 3: Changes to Class Allocation of ENO Return

As cited above, the current FRP includes a provision requiring any adjustment to the relative rates of return per customer class to move towards ENO's rate of return based on its weighted average cost of capital.¹⁵

Any adjustments that may be needed to the relative rates of return will be such that those adjustments move the relative customer class rates of return toward the utility's rate of return based on the weighted average cost of capital.

Unfortunately, the class rate of return for Rate Schedule LIS has not been meaningfully moved towards ENO's rate of return based on its weighted average cost of capital ("WACC") in ENO's Initial FRP Filing, such that there continues to exist a **huge** disparity in allocation of ENO's return to the LIS class compared to other customer classes.¹⁶

However, separate from such frustration, ENO appears not to understand the requirement in Section II(B)(2) of ENO's FRP Rider Schedule that requires any adjustments to relative rates

¹⁴ Air Products attempted to confirm this number in discovery but ENO refused to provide the requested information. ENO Response to APC 1-2. (See **Exhibit C** attached hereto.)

¹⁵ ENO Electric FRP Rider Schedule, § II(B)(2).

¹⁶ ENO 2021 FRP Filing, Attachment G_E_WP (July 16, 2021). (See **Exhibit D** attached hereto.)

of return to move towards ENO's rate of return - - regardless of whether the customer class is recovering more or less. For example, in response to Air Products 1-4(b), ENO indicated:¹⁷

Yes. The Residential rate of return was the only rate of return moved toward the benchmark rate of return as a result of the FRP Filing. The current rate of return approved by the Council for the Residential rate class produced a deficiency of \$1,631,526. **This amount was applied to the Residential rate class, because it was the only rate class with a rate of return below the benchmark rate of return.** For the calculation, see AJ01A-Attachment A and G part 2_E_WP tab Attachment G.

Thus, ENO seems to interpret the FRP provision to only require customer classes that are allocated rates of return less than its WACC to be adjusted up towards its WACC, and not to also require movement of customer classes with allocated rates of return that are greater than ENO's WACC to be decreased, toward its WACC. ENO's asymmetrical application of this provision is not consistent with the language of the FRP.

Air Products Requested Correction: While at this time, a dollar adjustment for this Correction does not appear required,¹⁸ Air Products nevertheless raises the issue to avoid any suggestion of agreement with ENO's application of the FRP with respect to allocation of ENO's rate of return. Further, Air Products requests that ENO be instructed on a going forward basis, to include in its FRP movements towards its WACC, not only to those rate classes that are allocated less than ENO's WACC but also those that are allocated more than ENO's WACC.

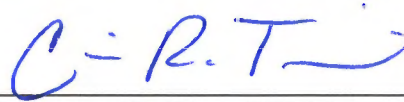
Conclusion

WHEREFORE, for the foregoing reasons, Air Products requests that the Council initiate further proceedings to evaluate Air Products disputed issues and implement the corrective actions proposed herein.

¹⁷ ENO Response to APC 1-4(b). (See **Exhibit E** attached hereto.)

¹⁸ Air Products reserves the right to modify this statement based on comments and corrections of other parties.

RESPECTFULLY SUBMITTED:



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Attorneys for Air Products and Chemicals, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served upon the Official Service List via electronic mail.

New Orleans, Louisiana this 1st day October, 2021.



Carrie R. Tournillon

WHEREAS, the Council has carefully considered Air Products' arguments and alternative proposals with respect to the potential impact of ENO's proposed decoupling mechanism on rate classes with only a few customers and believe that Air Products' concerns are valid; and

WHEREAS, the Council finds that some protection should be provided for those rate classes (Master Metered Non-Residential, Large Electric High Voltage and Large Interruptible Service) having only a few customers to mitigate the potential exposure of those rate classes to highly disruptive changes in rates that may occur as a result of the decoupling mechanism approved in this case; and

WHEREAS, for rate classes Master Metered Non-Residential, Large Electric High Voltage and Large Interruptible Service, a decoupling revenue adjustment cap of 10% shall apply to each of the three annual FRP evaluation period revenue adjustments provided that the total electric utility FRP revenue adjustment for that evaluation period does not exceed 10%; and

WHEREAS, the Council finds that a new baseline of customer class fixed and variable revenue requirements be determined in each E-FRP from an allocation of costs and a return component based on the rates of return corresponding to the customer class total revenues set in the instant docket. Any adjustments that may be needed to the relative rates of return will be such that those adjustments move the relative customer class rates of return toward the utility's rate of return based on the weighted average cost of capital; and

WHEREAS, the Council finds that the revenue deficiencies/excesses be determined for each customer class by comparing the E-FRP customer class total revenue requirements with the customer class evaluation period total actual revenues, with the decoupling adjustments applied within each customer class using updated billing determinants excluding the customer charge; and

AJO1A-Attachment A and G Part 1_E_WP, Page 1_Attachment A Calculation

ENERGY NEW ORLEANS, LLC
 FORMULA RATE PLAN
 Calculation of FRP Percentage
 ELECTRIC
 Test Year Ending December 31, 2020

Line No.	Rate Class	Adjusted Base		Applicable Base	Current Rider FRP	FRP Revenue	Change in	Outside the Band	Total FRP	FRP
		Revenue	Exclusions (1)	Revenue	Rate Adj.	Annualization Amount	FRP Revenue	Revenue	Revenue	Percentage (2)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	RESIDENTIAL	\$192,121,716	\$15,244,988	\$176,876,728	8.5138%	\$15,058,931	\$24,218,599	\$1,040,649	\$40,318,179	22.7945%
2	SMALL ELECTRIC SERVICE	\$66,471,109	\$137,509	\$66,333,601	7.1521%	\$4,744,245	\$10,230,103	\$195,429	\$15,169,777	22.8689%
3	MUNICIPAL BUILDINGS	\$2,065,208	\$70,271	\$1,994,937	8.8891%	\$177,332	\$289,852	\$47,807	\$514,991	25.8149%
4	LARGE ELECTRIC	\$27,451,235	\$466,862	\$26,984,373	8.9358%	\$2,411,270	\$4,058,662	\$403,296	\$6,873,228	25.4711%
5	LARGE ELECTRIC HIGH LOAD FACTOR	\$94,139,568	\$1,602,886	\$92,536,682	8.8947%	\$8,230,860	\$4,449,625	\$2,037,120	\$14,717,605	15.9046%
6	MASTER METERED NON-RESIDENTIAL	\$209,176	\$0	\$209,176	1.9557%	\$4,091	\$75,231	\$3,277	\$82,598	39.4876%
7	HIGH VOLTAGE	\$5,621,470	\$95,652	\$5,525,819	12.0838%	\$667,729	\$234,227	\$533,409	\$1,435,365	25.9756%
8	LARGE INTERRUPTIBLE	\$4,021,361	\$75,328	\$3,946,033	5.2335%	\$206,516	\$1,223,272	\$536,046	\$1,965,835	49.8180%
9	LIGHTING SERVICE	<u>\$4,187,282</u>	-	<u>\$4,187,282</u>	<u>3.4651%</u>	<u>\$145,094</u>	<u>\$521,864</u>	<u>\$368,079</u>	<u>\$1,035,036</u>	<u>24.7186%</u>
10	TOTAL RETAIL	\$396,288,124	\$17,693,495	\$378,594,630		\$31,646,067	\$45,301,435	\$5,165,113	\$82,112,615	21.6888%
		FRP Revenue (3)	IRAR Adjustment (4)	Other Outside band (5)	Total Revenue					
		(l)	(m)	(n)	(o)					
11	RESIDENTIAL	\$24,218,599	\$475,799	\$564,850	\$25,259,249					
12	SMALL ELECTRIC SERVICE	\$10,230,103	\$0	\$195,429	\$10,425,532					
13	MUNICIPAL BUILDINGS	\$289,852	\$41,735	\$6,072	\$337,659					
14	LARGE ELECTRIC	\$4,058,662	\$322,588	\$80,708	\$4,461,958					
15	LARGE ELECTRIC HIGH LOAD FACTOR	\$4,449,625	\$1,760,343	\$276,776	\$6,486,745					
16	MASTER METERED NON-RESIDENTIAL	\$75,231	\$2,662	\$615	\$78,508					
17	HIGH VOLTAGE	\$234,227	\$516,882	\$16,527	\$767,636					
18	LARGE INTERRUPTIBLE	\$1,223,272	\$524,223	\$11,823	\$1,759,319					
19	LIGHTING SERVICE	<u>\$521,864</u>	<u>\$355,768</u>	<u>\$12,311</u>	<u>\$889,943</u>					
20	TOTAL RETAIL	\$45,301,435	\$4,000,000	\$1,165,113	\$50,466,548					

(1) The following schedules are excluded from the FRP percentages applied to the Net Monthly Bill:

AFC, BRAR, IRAR-E, Contract Minimums, RES Customer Charges, DTK, EAC, EECR, EVCI, FAC, GPO, MES, MISO, PPCR, PPS, R-8, R-3, RPCEA, SMS, SSCO and SSCR

(2) For test year ending December 31, 2020, no rate classes were capped at 10% for the decoupling revenue adjustment.

Per Resolution R-19-457, Ordering Paragraph 26 and Section II.C.3 of the Rate Schedule EFRP-5, ENO shall, for rate classes Master Metered Non-Residential, Large Electric High Voltage and Large Interruptible Service, implement a decoupling revenue adjustment cap of 10% which will apply to each of the 3 annual E-FRP evaluation period revenue adjustments provided that the total electric utility FRP revenue adjustment for that evaluation does not exceed 10%. The 10% cap does not include the IRAR Adjustment and Other Outside the band amounts.

(3) Page 2, Line 20

(4) Page 3, Col. (i), Lines 25-35

ENTERGY NEW ORLEANS, LLC
CITY OF NEW ORLEANS
Docket No. UD-18-07

Response of: Entergy New Orleans, LLC
to the First Set of Data Requests
of Requesting Party: Air Products and
Chemicals, Inc.

Question No.: APC 1-2

Part No.:

Addendum:

Question:

The current filing represents changes in the 2019 and 2020 Test Years because ENO did not pursue a Test Year 2019 filing and rate adjustment. Accordingly, the current filing covers increases for a two-year period. Please provide versions of Attachments A and G assuming the sequential application of revenue increase determinations from a 2019 Test Year, followed by increases based on a 2020 Test Year, and the combined total of the two.

Response:

The Company objects to the form of the data request and on the basis that the response requests information that is irrelevant to the current 2021 FRP filing and not reasonably calculated to lead to discoverable information. In Resolution R-20-344, the Council approved an unopposed Agreement in Principle directing ENO to not file its Test Year 2019 Electric and Gas FRP Evaluation Reports. The Council eliminated the possibility of a “sequential application of revenue increase determinations” over 2020 and 2021 through its approval of the Agreement in Principle in Resolution R-20-344.

ENTERGY NEW ORLEANS, LLC
 FORMULA RATE PLAN
 Electric Utility Revenue Redetermination by Rate Class at Equal Rates of Return
 ELECTRIC
 Test Year Ending December 31, 2020

Line No.	Description	Total Company Adjusted	Residential	Small Electric	Municipal	Large Electric	High Load Factor	Master Metered	High Voltage	Large Interruptible	Lighting
[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[l]
1	Rate Base	1,128,061,441	652,083,180	162,595,703	4,783,375	68,428,749	211,154,053	566,244	10,095,445	5,610,699	12,743,994
2	ENO Required Rate of Return on Rate Base After taxes	6.89%									
3	ENO Required Rate of Return on Rate Base Including taxes	8.57%	1.81%	17.72%	22.46%	17.16%	17.08%	19.35%	12.84%	57.24%	20.07%
4	Return on Rate Base including income taxes	96,646,664	11,786,125	28,809,632	1,074,379	11,743,988	36,057,038	109,562	1,296,657	3,211,842	2,557,440
5	Operation & Maintenance Expense	395,737,733	213,294,938	54,805,282	1,509,179	25,373,851	85,609,029	211,294	7,340,347	5,336,961	2,256,852
6	Gains from Disp of Allowances	-	-	-	-	-	-	-	-	-	-
7	Regulatory Debits & Credits	5,025,340	2,929,009	740,295	21,397	301,072	922,470	2,555	36,428	8,367	63,748
8	Interest on Customer Deposits	757,290	437,756	109,154	3,211	45,938	141,752	380	6,777	3,767	8,555
9	Other Credit Fees	262,466	151,720	37,831	1,113	15,921	49,129	132	2,349	1,305	2,965
10	Depreciation & Amortization Expense	63,824,657	37,800,313	9,164,353	270,120	3,677,433	11,345,323	29,537	530,916	305,710	700,952
11	Amortization of Plant Acquisition Adjustment	1,189,690	656,604	165,368	4,597	78,535	248,675	632	22,809	8,287	4,182
12	Taxes Other than Income	20,050,859	11,797,229	2,892,036	82,312	1,165,500	3,613,926	9,655	180,062	107,731	202,407
13	Adjustment (Bad Debt, Reg. Exp. & Tax Difference)	(1,104,334)	(391,843)	(257,703)	(7,123)	(96,208)	(308,046)	(759)	(14,929)	(10,710)	(17,014)
14	SSCR (recovered w/ a Rider)	-	-	-	-	-	-	-	-	-	-
15	SSCO (recovered w/ a Rider)	-	-	-	-	-	-	-	-	-	-
16	EECR (recovered w/ a Rider)	-	-	-	-	-	-	-	-	-	-
17	Less Credit to COS from Other Operating Revenue	(44,053,656)	(19,854,709)	(6,228,029)	(178,712)	(3,197,438)	(11,931,629)	(27,972)	(1,024,693)	(1,232,023)	(378,451)
18	Total Cost of Service	538,336,708	258,607,143	90,238,218	2,780,472	39,108,591	125,747,668	335,017	8,376,722	7,741,240	5,401,637
19	Less Present Revenue	493,035,273	234,388,544	80,008,115	2,490,621	35,049,929	121,298,042	259,786	8,142,495	6,517,967	4,879,773
20	= Revenue Deficiency (Excess)	45,301,435	24,218,599	10,230,103	289,852	4,058,662	4,449,625	75,231	234,227	1,223,272	521,864

ENTERGY NEW ORLEANS, LLC
 FORMULA RATE PLAN
 Electric Utility Revenue Redetermination by Rate Class at Equal Rates of Return
 ELECTRIC
 Test Year Ending December 31, 2020

Line No.	Description	Total Company Adjusted	Residential	Small Electric	Municipal	Large Electric	High Load Factor	Master Metered	High Voltage	Large Interruptible	Lighting
[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[l]
1	Percent Increase on Total Revenues	9.2%	10.3%	12.8%	11.6%	11.6%	3.7%	29.0%	2.9%	18.8%	10.7%
Adjustment (Bad Debt, Reg. Exp. & Tax Difference)											
2	Company Class COS Study	538,336,708	302,688,244	75,358,973	2,115,909	33,227,236	107,781,253	273,968	7,944,993	5,010,094	3,936,039
3		539,441,043	303,080,088	75,616,676	2,123,032	33,323,444	108,089,299	274,727	7,959,922	5,020,804	3,953,053
4		(1,104,334)	(391,843)	(257,703)	(7,123)	(96,208)	(308,046)	(759)	(14,929)	(10,710)	(17,014)
Rate of Return by Class											
5	ROR % by Class Approved by Council	8.42%	1.56%	17.72%	22.46%	17.16%	17.08%	19.35%	12.84%	57.24%	20.07%
6	Resulting Return \$ at approved ROR% by class	95,015,138	10,154,599	28,809,632	1,074,379	11,743,988	36,057,038	109,562	1,296,657	3,211,842	2,557,440
7	Total Company Rate of Return \$	96,646,664									
8	Difference	1,631,526	1,631,526	-	-	-	-	-	-	-	-
9	8.57%	96,646,664	11,786,125	28,809,632	1,074,379	11,743,988	36,057,038	109,562	1,296,657	3,211,842	2,557,440
10	Adjusted ROR % by Class	8.57%	1.81%	17.72%	22.46%	17.16%	17.08%	19.35%	12.84%	57.24%	20.07%
COSTS											
11	Fixed	469,103,473	229,439,468	80,593,241	2,506,440	33,931,411	105,607,370	289,136	6,504,212	5,438,312	4,793,882
12	Variable	69,233,235	29,167,675	9,644,977	274,032	5,177,180	20,140,297	45,881	1,872,510	2,302,928	607,754
13	Total	538,336,708	258,607,143	90,238,218	2,780,472	39,108,591	125,747,668	335,017	8,376,722	7,741,240	5,401,637
REVENUES											
14	Fixed	422,124,653	204,853,479	70,165,297	2,208,832	29,404,951	100,722,238	210,555	6,190,177	4,125,787	4,243,336
15	Variable	70,910,620	29,535,065	9,842,819	281,788	5,644,978	20,575,804	49,231	1,952,318	2,392,180	636,437
16	Total	493,035,273	234,388,544	80,008,115	2,490,621	35,049,929	121,298,042	259,786	8,142,495	6,517,967	4,879,773
17	Current FAC Revenue (100% Variable)	68,893,215	28,843,426	9,530,404	271,462	5,472,036	19,916,827	47,997	1,898,352	2,298,884	613,825
18	Current Base Rate Revenues	396,288,124	192,121,716	66,471,109	2,065,208	27,451,235	94,139,568	209,176	5,621,470	4,021,361	4,187,282
Compliance Unit Costs (Base Revenue Requirement)											
19	Fixed	99.51%	99.64%	99.53%	99.50%	99.37%	99.30%	99.41%	99.04%	97.68%	99.46%
20	Variable	0.49%	0.36%	0.47%	0.50%	0.63%	0.70%	0.59%	0.96%	2.32%	0.54%
FRP Unit Costs (Total Revenue Requirement)											
21	Fixed	469,103,473	273,520,569	65,713,996	1,841,877	28,050,056	87,640,955	228,087	6,072,483	2,707,166	3,328,284
22	Variable	69,233,235	29,167,675	9,644,977	274,032	5,177,180	20,140,297	45,881	1,872,510	2,302,928	607,754
23	Total	538,336,708	302,688,244	75,358,973	2,115,909	33,227,236	107,781,253	273,968	7,944,993	5,010,094	3,936,039

ENTERGY NEW ORLEANS, LLC
CITY OF NEW ORLEANS
Docket No. UD-18-07

Response of: Entergy New Orleans, LLC
to the First Set of Data Requests
of Requesting Party: Air Products and
Chemicals, Inc.

Question No.: APC 1-4

Part No.:

Addendum:

Question:

The following appears on page 30.2 of ENO's tariffs (Electric Formula Rate Plan Rider Schedule) in the second paragraph of II(B)(2):

"The class rates of return will be adjusted to move the class rates of return toward the Benchmark Return on Rate Base. The numerical values of the external allocation factors will be updated with each EFRP filing in accordance with Section II.C.1.a(2). The Fixed and Variable Revenue Deficiency/(Excess) by rate class shall be shown in Attachment G."

With regard to the Test Year 2020 filing:

- a. Please state whether the external allocation factors were updated for the 2020 Test Year, and if so please indicate where in the filing they would be found or provide executable versions of workpapers in native format with all formulas and links intact in support of the derivation.
- b. Please state whether ENO maintains that it has followed the directive to "... move the class rates of return toward the Benchmark Return on Rate Base." Please explain in detail how and where this was accomplished and if not implemented, please provide the reason why not.

Response:

- a. Yes. The external allocation factors were updated for the 2020 Test Year filing. See ENO's response to APC 1-1. The files Allocation Factor_E_WP.xlsx and Allocation Factors G_WP.xlsx were provided as supplemental workpapers.
- b. Yes. The Residential rate of return was the only rate of return moved toward the benchmark rate of return as a result of the FRP Filing. The current rate of return approved by the Council for the Residential rate class

Question No.: APC 1-4

produced a deficiency of \$1,631,526. This amount was applied to the Residential rate class, because it was the only rate class with a rate of return below the benchmark rate of return. For the calculation, see AJ01A-Attachment A and G part 2_E_WP tab Attachment G.